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Secretariat
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Minutes of the IAG Committee on Performance Appraisal
September 25, 1979

ArDee Ames, Director of the Special Programs Consulting Division, opened the meeting with an introduction of two new staff members, Arnie Swertloff and Judy Rosenblatt. Before introducing the principal speakers, Mr. Ames covered some administrative matters. Mr. Ames discussed the Executive Briefing Package which has been revised and is available to agencies. Presented to the executives of Consumer Product Safety Commission, Mr. Ames stated the revised version contains issues of concern to managers as well as identification of potential problems and pitfalls in implementing performance appraisal systems.

Mr. Ames discussed the new SPCD focus on the needs of small agencies in implementing performance appraisal systems. The SPCD staff will be working closely with the small agencies and he encouraged the establishment of a small agency consortia to address specific problems in performance appraisal. Agencies interested in technical assistance may contact Mr. Ames.

Introduced by Mr. Ames, Mary Sugar, staff member of the Compensation Group, discussed a number of issues in rethinking and rewriting the within-grade increase regulations (FPM531). One issue needing resolution is the relationship of performance on a critical element to the acceptable level of competence determination for a WGI. The definition of critical element in FPM 430 has put a base on denial of WGI's, i.e., "... performance below the minimum standard established by management requires remedial action and denial of a within-grade increase...".

Another area to be covered in the new 531 regs is a uniform procedure for use in reconsideration of an initial negative determination. Ms. Sugar will be discussing this issue with agencies.

Quality Step Increases will also be covered in the revised 531 regulations. Agencies wishing to discuss ideas on revisions to the 531 regulations may contact Mrs. Sugar on 632-5604.

Mr. Ames then introduced Barbara Fiss, Assistant to the Director, Merit Pay. Her comments were largely directed toward the issue of prohibiting a forced distribution for merit pay purposes. Ms. Fiss stated emphatically that performance appraisal is the basis for merit pay and that "to the extent that you set up a forced distribution, you diminish the effect of paying for performance." The burden for sound merit pay determinations rests with a sound performance appraisal system. Each employee covered by Merit Pay must have an equal opportunity to compete for funds in the merit pay pool.

Ms. Fiss stated that a recent Comptroller General Decision allows for crossing appropriations lines in allocating merit pay funds. The decision, B195775, was issued on September 10, 1979.

The Merit Pay Task Force is nearing completion of a booklet discussing merit pay aimed at the supervisors and managers who are covered. Agencies should be alert for the notice to ride the OPM requisition. It should be available in the next four to six weeks.

The final discussion of the meeting centered around the Privacy Act and performance appraisal. Bill Lynch, of Agency Compliance and Evaluation, stated that proposed regulations in this area will be circulated to agencies for comment during November.